GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:589
ANSWERED ON:18.11.2016
Proposal from Jharkhand
Dubey Shri Nishikant

Will the Minister of FINANCE be pleased to state:

(a) the details of proposals received by the Government from the State of Jharkhand for loan/grants/funds along with the amounts demanded under various heads during the last three years and the current year;

(b) the present status of these proposals along with the reasons for pendency; and

(c) the time by which the said proposals are likely to be cleared?

Answer

MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a): The State Government of Jharkhand, in 2015-16 through NITI Aayog, had requested the Union Government for sanction of 4 projects namely Smart Village Project, Extension of Green Revolution in Jharkhand, Clean Damodar Project in line with Namami Ganga Project and Project for Constructing New Capital Region. In respect of loans, after the recommendations of Twelfth Finance Commission (TFC), the Central Government has stopped direct disbursement of Central loans to the States. From 2005-06 loans for Externally Aided Projects (EAPs) are passed on to the erstwhile General Category States, including Jharkhand, on back to back basis, i.e., on the same terms & conditions attached thereto.

(b) & (c): The proposal received from the State Government could not be considered as consequent to increase in States' share in Central taxes and duties recommended by the 14th Finance Commission (FFC), the schemes providing funds for projects not covered under regular schemes operated by Central Ministries/departments were subsumed in larger devolution. Further, the request of the State Government for sanctioning of the projects having longer gestation period attracting substantial amount of investment could not be considered for funding through the head of 'Special Assistance' as the same was introduced during 2015-16 specifically for discharging spill over committed liabilities pertaining to area specific schemes and projects for which budget provision is not made after the implementation of award of FFC and for need-based assistance to the States, due to varying socio-economic-geographical factors. The increased devolution enables the States to have greater autonomy in designing and financing schemes as per their contextual needs and priorities.

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